R9050-4-E

MEMORANDUM ON THE ALLOCATION OF THE FEDERAL TAX BURDEN AND FEDERAL GRANTS-IN-AID BY STATE

Fiscal Year 1984

This memorandum presents a state-by-state comparison of Federal tax burdens with Federal grants-in-aid to state and local governments for fiscal year 1984. The tax burdens in this comparison total $92,759.2 million for all states and reflect the cost of the Federal grants programs only; total Federal tax burdens in fiscal 1984 were $645,043 million.

The tax burdens are estimates by the Tax Foundation, based on a special formula that measures the final geographic burden of taxes, as distinguished from the area of initial tax impact (the state from which the taxes are collected), as explained below.

The data on grants-in-aid are derived from "Federal Expenditures by State for Fiscal Year 1984," prepared by the Governments Division, Bureau of the Census, U.S. Department of Commerce. The Tax Foundation adjusts the U.S. total for Federal grants-in-aid, as shown in the Census report, by deducting figures for U.S. Territories, undistributed amounts, and for "shared revenues," such as receipts from public lands and Federal payments in lieu of taxes on Federal lands.

The 1984 Comparisons of Federal Tax Burdens and Federal Grants-in-Aid

Table 1 presents the results of these comparisons for fiscal 1984.

The cost of supporting grant programs fell on the residents of 19 states whose aggregate Federal tax burdens to support grant programs exceeded the amount of grants received by their respective state and local governments. As a whole, the 131 million residents of the "paying" states paid $53,838 million in Federal taxes to support grant programs while their state and local governments received $44,254 million in grants, an average Federal tax burden of $1.22 for each dollar of grants received. The 105 million residents of the other 31 states and the District of Columbia paid, on the average, 80 cents in Federal taxes for each dollar of aid received by their state and local governments--$38,922 million in Federal taxes for $48,506 million in Federal grants.

It should be emphasized that these comparisons of Federal tax burdens for aid payments per $1.00 of assistance do not actually indicate the entire costs which state and local governments incur for obtaining Federal grants. The comparisons, with few exceptions, do not take into account the costs to these governments of administering the programs for which the aid is granted, nor the amounts of matching funds which the state and local governments must make available out of their own revenues in order to qualify as recipients of these grants. It is estimated that state and local governments provide about 43 cents of matching funds for each $1.00 of Federal aid.

Allocation of Tax Burdens

Since Federal tax collections data (published by the Treasury Department) are not designed to reflect the tax burden by state, Tax Foundation, in cooperation with other organizations, has developed a special allocation formula to distribute the Federal tax burden by state. This distribution of the Federal tax burden, both "Federal funds" (excluding trust fund taxes) and total taxes (including trust fund taxes) as estimated for 1984 is given in Table 2. The "total tax burden" is consistent with the official unified budget concept introduced with the 1969 Budget.

Total and per capita Federal tax burdens by state for fiscal year 1984 are shown in Table 4, along with state rankings.

The bases used for estimating tax burdens appear in Table 3. Essentially the same method and bases have been used for the derivation of these estimates for the past 21 years. However, certain changes in the bases of allocation for certain taxes limit the comparability of current estimates with those of prior years:

a) Substitution of total property income for dividend income in allocating one-half the corporation income tax (1966).
b) Elimination of personal income as a base for allocating excises taxes on alcoholic beverages; i.e., use of consumption data alone to allocate this tax (1972).
c) Inclusion of state unemployment taxes deposited with the Treasury in the total tax burden (1969).
d) Inclusion of taxes earmarked for the Airport and Airway Trust Fund, established in 1971, in the total Federal tax burden rather than in the Federal fund estimates for "other excises and customs" (1972).

Further explanation of the tax allocation formula--its derivations, uses, and limitations--is contained in Tax Foundation's Research Aid No. 5, Federal Tax Burdens in States and Metropolitan Areas, April 1974 (price $1.50, plus $1.00 for postage and handling).

Distribution of Grants-in-Aid by Program

In fiscal year 1984, the Federal government disbursed approximately $92.8 billion in grants-in-aid to state and local governments, $4.0 billion, or 4.5 percent more than in 1983. After growing at annual rates averaging 15 percent during the 1970s, the pace of grant giving has slowed sharply since 1981. Fiscal 1984 levels were only about $218 million higher than in 1981. (This fact highlights the lasting impact of a $7.0 billion reduction in grants-in-aid from 1981 to 1982--part of a spending rollback unprecedented in recent peacetime history.

Tables 5 through 7 show the state-by-state distribution, both totals and on a per capita basis, of all grants, the five largest grant programs (Medicaid, interstate highway construction grants, Aid to Families with Dependent Children, subsidized housing, and general revenue sharing) and all other grants. The five largest grant programs amounted to $47.8 billion, or more than 51 percent of the total amount of grants disbursed in 1984; Medicaid

grants alone amounted to $20.0 billion, or 22 percent of the total. Of the total amount of grants disbursed, $47.7 billion, 53 percent went to the states of New York, California, Pennsylvania, Illinois, Texas, Ohio, Michigan, New Jersey, Florida, and Massachusetts.

As shown in Table 6, the per capita U.S. average of the 1984 grants was about $394. There was, however, wide variation among states, with per capita grants ranging from a high of $2,205 in the District of Columbia to a low of $250 in Florida.

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Table 1

Federal Grants-in-Aid to State and Local Governments
and Estimated Federal Tax Burden for Federal Grants

Fiscal Year 1984

State	Grants[a] (millions)	Percent of total tax burden	Estimated tax burden for grants[b] (millions)	Tax burden per dollar of aid Amount	Rank
Total U.S.	$92,759.2	100.00	$92,759.2	$1.00	--
Alabama	1,493.9	1.28	1,187.3	.79	35
Alaska	591.4	.35	324.6	.55	48
Arizona	973.7	1.13	1,048.2	1.07	16
Arkansas	937.7	.71	658.6	.70	41
California	9,686.3	12.02	11,149.7	1.15	10
Colorado	1,097.9	1.47	1,363.6	1.24	7
Connecticut	1,221.4	1.84	1,706.8	1.40	3
Delaware	298.5	.29	269.0	.90	25
Florida	2,779.4	4.53	4,202.0	1.51	2
Georgia	2,209.4	2.10	1,947.9	.88	28
Hawaii	458.8	.44	408.1	.89	27
Idaho	393.0	.32	296.8	.76	36
Illinois	4,303.1	5.38	4,990.4	1.16	9
Indiana	1,759.5	2.11	1,957.2	1.11	12
Iowa	1,090.7	1.11	1,029.6	.94	22
Kansas	802.8	1.08	1,001.8	1.25	6
Kentucky	1,577.2	1.20	1,113.1	.71	40
Louisiana	1,770.8	1.71	1,586.2	.90	26
Maine	590.3	.39	361.8	.61	45
Maryland	1,718.6	2.09	1,938.7	1.13	11
Massachusetts	2,634.0	2.81	2,606.5	.99	20
Michigan	3,773.4	3.72	3,450.6	.91	23
Minnesota	1,862.2	1.75	1,623.3	.87	29
Mississippi	1,154.3	.71	658.6	.57	47
Missouri	1,771.7	1.99	1,845.9	1.04	17
Montana	486.1	.30	278.3	.57	46
Nebraska	636.2	.62	575.1	.90	24
Nevada	319.8	.42	389.6	1.22	8
New Hampshire	367.0	.43	398.9	1.09	13
New Jersey	2,871.0	4.18	3,877.3	1.35	5
New Mexico	664.0	.49	454.5	.68	43
New York	10,268.3	8.31	7,708.3	.75	37
North Carolina	1,926.5	2.09	1,938.7	1.01	18
North Dakota	429.9	.29	269.0	.63	44
Ohio	4,043.8	4.37	4,053.6	1.00	19
Oklahoma	1,161.1	1.35	1,252.2	1.08	15
Oregon	1,122.4	1.01	936.9	.83	32
Pennsylvania	4,665.6	4.95	4,591.6	.98	21
Rhode Island	547.6	.41	380.3	.69	42
South Carolina	1,165.3	1.03	955.4	.82	34
South Dakota	431.8	.23	213.3	.49	50
Tennessee	1,777.6	1.65	1,530.5	.86	30
Texas	4,130.5	7.16	6,641.6	1.61	1
Utah	652.3	.52	482.3	.74	38
Vermont	330.8	.18	167.0	.50	49
Virginia	1,646.2	2.45	2,272.6	1.38	4
Washington	1,673.2	1.95	1,808.8	1.08	14
West Virginia	818.1	.63	584.4	.71	39
Wisconsin	2,062.8	1.86	1,725.3	.84	31
Wyoming	270.5	.24	222.6	.82	33
District of Columbia	1,340.8	.36	333.9	.25	51

a. Excludes shared revenues and payments in lieu of taxes; includes General Revenue Sharing and trust fund aids.
b. The total tax burden for grants is assumed to equal grant payments.
Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.

Table 2

Allocation of the Federal Tax Burden by State

Fiscal Year 1984
(percent)

State	Federal fund tax burden[a]	Total tax burden[b]	State	Federal fund tax burden[a]	Total tax burden[b]
Total U.S.....	100.00	100.00			
Alabama.....	1.19	1.28	Nebraska.....	.62	.62
Alaska.....	.36	.35	Nevada.....	.43	.42
Arizona.....	1.11	1.13	New Hampshire...	.44	.43
Arkansas.....	.66	.71	New Jersey.....	4.23	4.18
California.....	11.86	12.02	New Mexico.....	.48	.49
Colorado.....	1.51	1.47	New York.....	8.46	8.31
Connecticut.....	1.97	1.84	North Carolina..	1.98	2.09
Delaware.....	.29	.29	North Dakota....	.28	.29
Florida.....	4.85	4.53	Ohio.....	4.34	4.37
Georgia.....	2.03	2.10	Oklahoma.....	1.37	1.35
Hawaii.....	.42	.44	Oregon.....	.95	1.01
Idaho.....	.29	.32	Pennsylvania....	4.84	4.95
Illinois.....	5.45	5.38	Rhode Island....	.38	.41
Indiana.....	2.09	2.11	South Carolina..	.96	1.03
Iowa.....	1.09	1.11	South Dakota....	.22	.23
Kansas.....	1.07	1.08	Tennessee.....	1.57	1.65
Kentucky.....	1.15	1.20	Texas.....	7.57	7.16
Louisiana.....	1.74	1.71	Utah.....	.47	.52
Maine.....	.37	.39	Vermont.....	.18	.18
Maryland.....	2.14	2.09	Virginia.....	2.43	2.45
Massachusetts...	2.87	2.81	Washington.....	1.94	1.95
Michigan.....	3.69	3.72	West Virginia...	.61	.63
Minnesota.....	1.68	1.75	Wisconsin.....	1.81	1.86
Mississippi.....	.67	.71	Wyoming.....	.24	.24
Missouri.....	1.99	1.99	District of Columbia.....	.38	.36
Montana.....	.29	.30			

a. Excludes trust fund taxes.
b. Includes state unemployment insurance deposits now classified as part of Federal budget receipts.
Source: Tax Foundation, Incorporated.

Table 3

Bases for Allocating the Federal Tax Burden by State

Fiscal Year 1984

Tax	Base
FEDERAL FUND TAXES:	
Individual income	Individual income tax liability (1982) adjusted by 1983 changes in personal income (Internal Revenue Service)
Corporate income	1/2 personal income[a] (1983) 1/2 property income (1983) (Department of Commerce)
Alcoholic beverages	Consumption data[b] (1983) (U.S. Brewers Association)
Tobacco	Total adult population (July 1, 1983)
Estate and gift	Six-year total of estate and gift tax collections (1978-1983) (Internal Revenue Service)
Other excises and customs	Disposable personal income (1983) (Department of Commerce)
TRUST FUND TAXES:	
Old-age, survivors, disability and hospitalization insurance; railroad retirement, and Federal unemployment insurance	1/2 personal income[a] (1983) 1/2 personal contributions for social insurance[c] (1983) (Department of Commerce)
State unemployment insurance taxes deposited with Treasury	Unemployment tax collections (1983) (Department of Labor)
Highway trust fund	
Gasoline, diesel, special fuels, lubricating oil, and heavy vehicle use	Motor fuel excise data (1983) (Bureau of Public Roads)
Trucks and buses, parts and accessories, tires, tubes, and tread rubber	Truck and bus excise data (1983) (Bureau of Public Roads)
Airport and airway trust fund, black lung disability trust fund, and other trust funds	Disposable personal income (1983) (Department of Commerce)

a. Personal income by place of residence.
b. Adjusted by Tax Foundation.
c. Adjusted for place of residence.
Source: Tax Foundation, Incorporated.

Table 4

Federal Tax Burdens by State: Total and Per Capita

Fiscal Year 1984

State	Amount (millions)	Per capita	State rank 1984	
			Amount	Per capita
Total U.S.....	$645,043	$2,738	--	--
Alabama.....	8,276	2,094	25	46
Alaska.....	2,266	4,340	44	1
Arizona.....	7,257	2,365	27	35
Arkansas.....	4,557	1,960	33	50
California.....	77,503	3,012	1	10
Colorado.....	9,450	2,911	23	11
Connecticut.....	11,873	3,807	19	2
Delaware.....	1,845	3,050	48	8
Florida.....	29,189	2,630	6	26
Georgia.....	13,523	2,325	13	37
Hawaii.....	2,813	2,694	38	24
Idaho.....	2,062	2,056	45	47
Illinois.....	34,703	3,045	4	9
Indiana.....	13,620	2,517	12	30
Iowa.....	7,164	2,498	28	32
Kansas.....	6,954	2,859	29	15
Kentucky.....	7,770	2,100	26	44
Louisiana.....	11,023	2,439	21	34
Maine.....	2,489	2,174	42	42
Maryland.....	13,477	3,131	15	6
Massachusetts...	18,155	3,175	10	5
Michigan.....	24,014	2,708	9	22
Minnesota.....	11,307	2,735	20	20
Mississippi.....	4,610	1,777	32	51
Missouri.....	12,820	2,594	16	27
Montana.....	1,948	2,364	46	36
Nebraska.....	4,009	2,515	35	31
Nevada.....	2,677	2,866	40	14
New Hampshire...	2,767	2,855	39	16
New Jersey.....	26,956	3,624	8	4
New Mexico.....	3,137	2,180	37	41
New York.....	53,579	3,056	2	7
North Carolina..	13,478	2,199	14	40
North Dakota....	1,859	2,706	47	23
Ohio.....	28,197	2,660	7	25
Oklahoma.....	8,692	2,544	24	29
Oregon.....	6,546	2,472	31	33
Pennsylvania....	31,941	2,712	5	21
Rhode Island....	2,635	2,777	41	19
South Carolina..	6,662	2,014	30	48
South Dakota....	1,478	2,117	50	43
Tennessee.....	10,670	2,278	22	38
Texas.....	46,162	2,813	3	18
Utah.....	3,384	2,000	36	49
Vermont.....	1,184	2,246	51	39
Virginia.....	15,802	2,822	11	17
Washington.....	12,607	2,901	17	12
West Virginia...	4,088	2,095	34	45
Wisconsin.....	12,019	2,545	18	28
Wyoming.....	1,540	2,889	49	13
District of Columbia.....	2,310	3,799	43	3

Source: Office of Management and Budget, and Tax Foundation computations.

Table 5

Major Grant Programs by State

Fiscal Year 1984
(millions)

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
Total U.S.....	$92,759.2	$19,978.1	$9,460.3	$8,193.8	$4,566.5	$5,579.7	$44,980.8
Alabama.....	1,494.0	276.1	198.9	54.7	76.8	98.6	788.8
Alaska.....	591.4	28.1	143.2	20.7	36.0	39.9	323.5
Arizona.....	973.7	58.4	157.3	46.7	53.7	62.0	595.6
Arkansas.....	937.7	251.2	106.4	29.2	45.5	44.9	460.5
California.....	9,686.3	2,064.6	687.9	1,722.8	516.8	399.0	4,295.2
Colorado.....	1,097.9	153.8	176.8	61.3	53.7	48.9	603.4
Connecticut.....	1,221.4	266.2	123.9	110.5	54.2	96.0	570.6
Delaware.....	298.5	35.8	42.7	15.7	13.4	20.6	170.3
Florida.....	2,779.4	482.1	304.3	157.2	164.1	160.0	1,511.7
Georgia.....	2,209.4	432.5	335.7	142.6	112.0	149.1	1,037.5
Hawaii.....	458.8	68.8	65.1	42.7	21.6	21.3	239.3
Idaho.....	393.0	49.1	68.8	16.1	18.6	11.8	228.6
Illinois.....	4,303.1	833.8	410.9	447.7	210.1	356.1	2,044.5
Indiana.....	1,759.5	370.8	215.3	90.5	85.3	94.3	903.3
Iowa.....	1,090.7	175.4	194.4	88.7	53.2	32.7	546.3
Kansas.....	802.8	135.0	142.3	45.3	38.6	35.2	406.4
Kentucky.....	1,577.2	337.2	181.5	95.5	76.2	94.1	792.7
Louisiana.....	1,770.8	429.0	237.8	101.0	93.1	92.1	817.8
Maine.....	590.3	153.7	52.2	46.1	29.0	32.5	276.8
Maryland.....	1,718.6	290.4	216.2	123.4	88.0	137.2	863.4
Massachusetts...	2,634.0	658.8	110.3	212.4	132.8	224.5	1,295.2
Michigan.....	3,773.4	882.1	243.3	644.3	171.7	157.6	1,674.4
Minnesota.....	1,862.2	494.1	211.4	155.9	85.5	99.8	815.4
Mississippi.....	1,154.3	237.4	125.4	48.4	62.0	54.7	626.4
Missouri.....	1,771.7	299.5	230.5	124.5	78.5	102.4	936.3
Montana.....	486.1	55.3	115.8	18.7	19.7	23.5	253.1
Nebraska.....	636.2	89.5	102.6	32.7	28.7	26.3	356.4
Nevada.....	319.8	34.2	69.3	5.7	14.6	24.9	171.1
New Hampshire...	367.0	67.4	45.9	13.2	15.1	22.3	203.1
New Jersey.....	2,871.0	576.1	158.5	280.4	143.3	331.1	1,381.6
New Mexico.....	664.0	95.2	109.8	35.6	35.8	28.5	359.1
New York.....	10,268.3	3,545.3	474.1	1,063.0	460.9	721.3	4,003.7
North Carolina..	1,926.5	433.3	194.4	106.2	121.8	128.4	942.4
North Dakota....	429.9	60.7	94.7	10.6	13.6	19.8	230.5
Ohio.....	4,043.8	913.0	347.9	425.5	172.9	274.0	1,910.5
Oklahoma.....	1,161.1	255.2	121.1	62.5	63.3	63.5	595.5
Oregon.....	1,122.4	154.9	126.7	59.3	53.7	42.2	685.6
Pennsylvania....	4,665.6	1,030.4	394.2	435.0	222.4	307.9	2,275.7
Rhode Island....	547.6	138.9	48.0	42.0	20.1	49.1	249.5
South Carolina..	1,165.3	224.6	117.5	54.7	69.3	58.0	641.2
South Dakota....	431.8	60.2	78.2	12.1	15.2	31.8	234.3
Tennessee.....	1,777.6	396.1	248.0	60.7	84.3	127.6	860.9
Texas.....	4,130.5	827.0	512.3	118.7	250.7	235.1	2,186.7
Utah.....	652.3	99.9	139.9	29.1	34.8	13.0	335.6
Vermont.....	330.8	65.4	47.1	28.3	12.8	14.8	162.4
Virginia.....	1,646.2	306.4	192.6	106.3	99.3	113.0	828.6
Washington.....	1,673.2	258.3	286.1	157.1	68.0	76.5	827.2
West Virginia...	818.1	100.0	173.1	51.4	44.2	39.7	409.7
Wisconsin.....	2,062.8	582.0	180.8	285.1	99.0	73.6	842.3
Wyoming.....	270.5	12.7	79.2	7.2	14.8	6.2	150.4
District of Columbia.....	1,340.8	132.2	20.0	48.8	17.7	62.3	1,059.8

Source: U.S. Department of Commerce, Bureau of the Census.

Table 6

Major Grant Programs by State: Per Capita

Fiscal Year 1984

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
Total U.S.....	$393.74	$84.80	$40.16	$34.78	$19.38	$23.68	$190.94
Alabama.....	378.01	69.86	50.33	13.84	19.43	24.95	199.60
Alaska.....	1,132.95	53.83	274.33	39.66	68.97	76.44	619.73
Arizona.....	317.27	19.03	51.25	15.22	17.50	20.20	194.07
Arkansas.....	403.31	108.04	45.76	12.56	19.57	19.31	198.06
California.....	376.40	80.23	26.73	66.95	20.08	15.50	166.91
Colorado.....	337.19	47.38	54.47	18.88	16.54	15.06	185.89
Connecticut.....	391.60	85.35	39.72	35.43	17.38	30.78	182.94
Delaware.....	493.39	59.17	70.58	25.95	22.15	34.05	281.49
Florida.....	250.44	43.44	27.42	14.16	14.79	14.42	136.21
Georgia.....	379.88	74.36	57.72	24.52	19.26	25.64	178.39
Hawaii.....	439.46	65.90	62.36	40.90	20.69	20.40	229.21
Idaho.....	391.82	48.95	68.59	16.05	18.54	11.76	227.92
Illinois.....	377.63	73.17	36.06	39.29	18.44	31.25	179.42
Indiana.....	325.11	68.51	39.78	16.72	15.76	17.42	166.91
Iowa.....	380.30	61.16	67.78	30.93	18.55	11.40	190.48
Kansas.....	330.10	55.51	58.51	18.63	15.87	14.47	167.11
Kentucky.....	426.16	91.11	49.04	25.80	20.59	25.43	214.19
Louisiana.....	391.85	94.93	52.62	22.35	20.60	20.38	180.97
Maine.....	515.55	134.24	45.59	40.26	25.33	28.38	241.75
Maryland.....	399.30	67.47	50.23	28.67	20.45	31.88	200.60
Massachusetts...	460.57	115.20	19.29	37.14	23.22	39.26	226.46
Michigan.....	425.46	99.46	27.43	72.65	19.36	17.77	188.79
Minnesota.....	450.46	119.52	51.14	37.71	20.71	24.14	197.24
Mississippi.....	444.99	91.52	48.34	18.66	23.90	21.09	241.48
Missouri.....	358.43	60.59	46.65	25.19	15.88	20.72	189.42
Montana.....	589.93	67.11	140.53	22.69	23.91	28.52	307.16
Nebraska.....	399.12	56.15	64.37	20.51	18.00	16.50	223.59
Nevada.....	342.40	36.62	74.20	6.10	15.63	26.66	183.20
New Hampshire...	378.74	69.56	47.37	13.62	15.58	23.01	209.60
New Jersey.....	385.94	77.44	21.31	37.69	19.26	44.51	185.72
New Mexico.....	461.43	66.16	76.30	24.74	24.88	19.80	249.55
New York.....	585.76	202.24	27.04	60.64	26.29	41.15	228.39
North Carolina..	314.38	70.71	31.72	17.33	19.88	20.95	153.79
North Dakota....	625.76	88.36	137.85	15.43	19.80	28.82	335.52
Ohio.....	381.49	86.13	32.82	40.14	16.31	25.85	180.24
Oklahoma.....	339.80	74.68	35.44	18.29	18.52	18.58	174.28
Oregon.....	423.87	58.50	47.85	22.39	20.28	15.94	258.91
Pennsylvania....	396.13	87.48	33.47	36.93	18.88	26.14	193.22
Rhode Island....	577.03	146.36	50.58	44.26	21.18	51.74	262.91
South Carolina..	352.27	67.90	35.52	16.54	20.95	17.53	193.83
South Dakota....	618.62	86.25	112.03	17.35	21.78	45.56	335.67
Tennessee.....	379.50	[illegible]	52.95	12.96	18.00	27.24	183.80
Texas.....	251.72	[illegible]	31.22	7.23	15.28	14.33	133.26
Utah.....	385.52	[illegible]	82.68	17.20	20.57	7.68	198.35
Vermont.....	627.70	124.10	89.37	53.70	24.29	28.08	308.16
Virginia.....	293.96	54.71	34.39	18.98	17.73	20.18	147.96
Wasnington.....	385.00	59.43	65.83	36.15	15.65	17.60	190.34
West Virginia...	419.32	51.26	88.72	26.34	22.65	20.35	209.99
Wisconsin.....	436.76	123.23	38.28	60.36	20.96	15.58	178.34
Wyoming.....	507.50	23.83	148.59	13.50	27.77	11.63	282.18
District of Columbia.....	2,205.26	217.43	32.89	80.26	29.11	102.47	1,743.09

Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.

Table 7

Major Grant Programs by State, Per Capita Rank

Fiscal Year 1984

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
Alabama.....	37	26	25	45	28	22	23
Alaska.....	2	43	1	11	1	2	2
Arizona.....	47	51	22	43	40	31	27
Arkansas.....	22	9	32	49	27	34	25
California.....	39	20	49	3	24	43	46
Colorado.....	44	47	19	32	42	44	34
Connecticut.....	28	18	35	18	41	11	38
Delaware.....	11	37	11	22	12	8	8
Florida.....	51	48	47	44	51	47	50
Georgia.....	34	23	18	26	31	20	42
Hawaii.....	16	33	16	8	18	28	14
Idaho.....	27	46	12	41	34	48	16
Illinois.....	38	24	37	12	36	10	41
Indiana.....	46	28	34	39	46	39	47
Iowa.....	33	34	13	19	33	50	30
Kansas.....	45	41	17	34	45	45	45
Kentucky.....	18	13	27	23	20	21	19
Louisiana.....	26	11	21	29	19	29	39
Maine.....	9	4	33	9	5	14	12
Maryland.....	23	30	26	20	22	9	22
Massachusetts...	13	8	51	15	10	7	17
Michigan.....	19	10	46	2	29	36	33
Minnesota.....	14	7	23	13	17	23	26
Mississippi.....	15	12	28	33	9	25	13
Missouri.....	40	35	31	24	44	27	32
Montana.....	6	31	3	27	8	13	6
Nebraska.....	24	40	15	30	37	40	18
Nevada.....	42	49	10	51	48	17	37
New Hampshire...	36	27	30	46	49	24	21
New Jersey.....	29	21	50	14	30	5	35
New Mexico.....	12	32	9	25	6	33	11
New York.....	7	2	48	4	4	6	15
North Carolina..	48	25	44	37	25	26	48
North Dakota....	4	14	4	42	26	12	4
Ohio.....	32	17	43	10	43	19	40
Oklahoma.....	43	22	39	35	35	35	44
Oregon.....	20	39	29	28	23	41	10
Pennsylvania....	25	15	41	16	32	18	29
Rhode Island....	8	3	24	7	14	3	9
South Carolina..	41	29	38	40	16	38	28
South Dakota....	5	16	5	36	13	4	3
Tennessee.....	35	19	20	48	38	16	36
Texas.....	50	45	45	50	50	46	51
Utah.....	30	38	8	38	21	51	24
Vermont.....	3	5	6	6	7	15	5
Virginia.....	49	42	40	31	39	32	49
Washington.....	31	36	14	17	47	37	31
West Virginia...	21	44	7	21	11	30	20
Wisconsin.....	17	6	36	5	15	42	43
Wyoming.....	10	50	2	47	3	49	7
District of Columbia.....	1	1	42	1	2	1	1

Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.

R9050-4W 9/86

MEMORANDUM ON THE ALLOCATION OF THE FEDERAL TAX BURDEN AND FEDERAL GRANTS-IN-AID BY STATE

Fiscal Year 1985

This memorandum presents a state-by-state comparison of Federal tax burdens with Federal grants-in-aid to state and local governments for fiscal year 1985. The tax burdens in this comparison total $99,622.5 million for all states and reflect the cost of the Federal grants programs only; total Federal tax burdens in fiscal 1985 were $709,400 million.

The tax burdens are estimates by the Tax Foundation, based on a special formula that measures the final geographic burden of taxes, as distinguished from the area of initial tax impact (the state from which the taxes are collected), as explained below.

The data on grants-in-aid are derived from "Federal Expenditures by State for Fiscal Year 1985," prepared by the Governments Division, Bureau of the Census, U.S. Department of Commerce. The Tax Foundation adjusts the U.S. total for Federal grants-in-aid, as shown in the Census report, by deducting figures for U.S. Territories, undistributed amounts, and for "shared revenues," such as receipts from public lands and Federal payments in lieu of taxes on Federal lands.

The 1985 Comparisons of Federal Tax Burdens and Federal Grants-in-Aid

Table 1 presents the results of these comparisons for fiscal 1985.

The cost of supporting grant programs fell on the residents of 20 states whose aggregate Federal tax burdens to support grant programs exceeded the amount of grants received by their respective state and local governments. As a whole, the 138 million residents of the "paying" states paid $60,913 million in Federal taxes to support grant programs while their state and local governments received $50,979 million in grants, an average Federal tax burden of $1.19 for each dollar of grants received. The 100 million residents of the other 30 states and the District of Columbia paid, on the average, 80 cents in Federal taxes for each dollar of aid received by their state and local governments--$38,709 million in Federal taxes for $48,646 million in Federal grants.

It should be emphasized that these comparisons of Federal tax burdens for aid payments per $1.00 of assistance do not actually indicate the entire costs which state and local governments incur for obtaining Federal grants. The comparisons, with few exceptions, do not take into account the costs to these governments of administering the programs for which the aid is granted, nor the amounts of matching funds which the state and local governments must make available out of their own revenues in order to qualify as recipients of these grants. It is estimated that state and local governments provide about 50 cents of matching funds for each $1.00 of Federal aid.

Allocation of Tax Burdens

Since Federal tax collections data (published by the Treasury Department) are not designed to reflect the tax burden by state, Tax Foundation, in cooperation with other organizations, has developed a special allocation formula to distribute the Federal tax burden by state. This distribution of the Federal tax burden, both "Federal funds" (excluding trust fund taxes) and total taxes (including trust fund taxes) as estimated for 1985 is given in Table 2. The "total tax burden" is consistent with the official unified budget concept introduced with the 1969 Budget.

Total and per capita Federal tax burdens by state for fiscal year 1985 are shown in Table 4, along with state rankings.

The bases used for estimating tax burdens appear in Table 3. Essentially the same method and bases have been used for the derivation of these estimates for the past 21 years. However, certain changes in the bases of allocation for certain taxes limit the comparability of current estimates with those of prior years:

a) Substitution of total property income for dividend income in allocating one-half the corporation income tax (1966).
b) Elimination of personal income as a base for allocating excise taxes on alcoholic beverages; i.e., use of consumption data alone to allocate this tax (1972).
c) Inclusion of state unemployment taxes deposited with the Treasury in the total tax burden (1969).
d) Inclusion of taxes earmarked for the Airport and Airway Trust Fund, established in 1971, in the total Federal tax burden rather than in the Federal fund estimates for "other excises and customs" (1972).

Further explanation of the tax allocation formula--its derivations, uses, and limitations--is contained in Tax Foundation's Research Aid No. 5, Federal Tax Burdens in States and Metropolitan Areas, April 1974 (price $1.50, plus $1.00 for postage and handling).

Distribution of Grants-in-Aid by Program

In fiscal year 1985, the Federal government disbursed approximately $99.6 billion in grants-in-aid to state and local governments, $6.8 billion, or 7.3 percent more than in 1984. After growing at annual rates averaging 15 percent during the 1970s, the pace of grant giving has slowed to a rate of 2 percent since 1980. (This fact highlights the lasting impact of a $7.0 billion reduction in grants-in-aid from 1981 to 1982--part of a spending rollback unprecedented in recent peacetime history.

Tables 5 tnrough 7 show the state-by-state distribution, both totals and on a per capita basis, of all grants, the five largest grant programs (Medicaid, interstate highway construction grants, Aid to Families with Dependent Children, subsidized housing, and general revenue sharing) and all other grants. The five largest grant programs amounted to $52.6 billion, almost 53 percent of the total amount of grants disbursed in 1985; Medicaid grants

alone amounted to $22.6 billion, or 23 percent of the total. Of the total amount of grants disbursed, $54.4 billion, 55 percent went to the states of California, New York, Texas, Pennsylvania, Illinois, Florida, Ohio, Michigan, New Jersey, North Carolina and Georgia.

As shown in Table 6, the per capita U.S. average of the 1985 grants was about $419. There was, however, wide variation among states, with per capita grants ranging from a high of $1,694 in the District of Columbia to a low of $275 in Florida.

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Table 1

Federal Grants-in-Aid to State and Local Governments
and Estimated Federal Tax Burden for Federal Grants

Fiscal Year 1985

State	Grants[a] (millions)	Percent of total tax burden	Estimated tax burden for grants[b] (millions)	Tax burden per dollar of aid Amount	Rank
Total U.S.	$99,622.5	100.00	$99,622.5	$1.00	--
Alabama	1,674.4	1.27	1,263.3	.75	34
Alaska	609.6	.33	330.6	.54	47
Arizona	1,106.4	1.17	1,161.4	1.05	13
Arkansas	1,005.5	.71	703.7	.70	40
California	10,492.4	12.15	12,102.8	1.15	8
Colorado	1,113.6	1.43	1,429.3	1.28	5
Connecticut	1,377.4	1.87	1,865.1	1.35	4
Delaware	318.0	.28	280.0	.88	29
Florida	3,117.8	4.68	4,659.0	1.49	2
Georgia	2,366.8	2.17	2,161.9	.91	26
Hawaii	435.6	.42	417.6	.96	23
Idaho	425.0	.31	305.9	.72	38
Illinois	4,687.5	5.42	5,403.2	1.15	9
Indiana	1,825.1	2.10	2,094.6	1.15	10
Iowa	1,163.5	1.14	1,134.5	.98	21
Kansas	854.5	1.05	1,050.3	1.23	6
Kentucky	1,749.8	1.20	1,193.9	.68	41
Louisiana	1,779.4	1.62	1,618.1	.91	27
Maine	659.3	.39	386.4	.59	46
Maryland	2,058.4	2.14	2,133.6	1.04	15
Massachusetts	2,842.0	2.88	2,872.0	1.01	19
Michigan	3,958.7	3.70	3,681.2	.93	24
Minnesota	1,980.2	1.76	1,753.6	.89	28
Mississippi	1,167.1	.70	694.8	.60	45
Missouri	1,932.4	1.99	1,983.5	1.03	18
Montana	545.5	.29	287.2	.53	49
Nebraska	674.6	.62	622.5	.92	25
Nevada	371.4	.42	422.5	1.14	11
New Hampshire	418.2	.44	441.2	1.05	12
New Jersey	2,945.2	4.20	4,185.1	1.42	3
New Mexico	728.5	.48	478.7	.66	42
New York	11,092.3	8.35	8,320.8	.75	35
North Carolina	2,131.0	2.15	2,138.1	1.00	20
North Dakota	434.1	.27	265.3	.61	44
Ohio	4,157.9	4.32	4,305.3	1.04	16
Oklahoma	1,229.9	1.28	1,278.1	1.04	14
Oregon	1,240.1	.99	989.6	.80	32
Pennsylvania	4,961.4	4.83	4,816.4	.97	22
Rhode Island	573.2	.41	406.8	.71	39
South Carolina	1,320.8	1.04	1,038.0	.79	33
South Dakota	476.2	.23	230.4	.48	50
Tennessee	1,931.4	1.64	1,629.7	.84	31
Texas	4,469.8	7.13	7,099.8	1.59	1
Utah	714.7	.52	515.3	.72	37
Vermont	336.1	.18	180.6	.54	48
Virginia	2,047.9	2.44	2,430.1	1.19	7
Washington	1,798.5	1.87	1,858.3	1.03	17
West Virginia	902.9	.59	587.5	.65	43
Wisconsin	2,109.9	1.85	1,847.1	.88	30
Wyoming	293.7	.22	215.9	.74	36
District of Columbia	1,018.0	.35	352.0	.35	51

a. Excludes shared revenues and payments in lieu of taxes; includes General Revenue Sharing and trust fund aids.
b. The total tax burden for grants is assumed to equal grant payments.
Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.

Table 2

Allocation of the Federal Tax Burden by State

Fiscal Year 1985
(percent)

State	Federal fund tax burden[a]	Total tax burden[b]	State	Federal fund tax burden[a]	Total tax burden[b]
Total U.S.....	100.00	100.00			
Alabama.....	1.18	1.27	Nebraska.....	.63	.62
Alaska.....	.34	.33	Nevada.....	.44	.42
Arizona.....	1.15	1.17	New Hampshire...	.45	.44
Arkansas.....	.66	.71	New Jersey.....	4.31	4.20
California.....	12.05	12.15	New Mexico.....	.46	.48
Colorado.....	1.45	1.43	New York.....	8.57	8.35
Connecticut.....	2.01	1.87	North Carolina..	2.02	2.15
Delaware.....	.28	.28	North Dakota....	.25	.27
Florida.....	5.03	4.68	Ohio.....	4.24	4.32
Georgia.....	2.11	2.17	Oklahoma.....	1.29	1.28
Hawaii.....	.40	.42	Oregon.....	.94	.99
Idaho.....	.28	.31	Pennsylvania....	4.68	4.83
Illinois.....	5.51	5.42	Rhode Island....	.38	.41
Indiana.....	2.10	2.10	South Carolina..	.97	1.04
Iowa.....	1.14	1.14	South Dakota....	.22	.23
Kansas.....	1.05	1.05	Tennessee.....	1.57	1.64
Kentucky.....	1.15	1.15	Texas.....	7.47	7.13
Louisiana.....	1.64	1.62	Utah.....	.46	.52
Maine.....	.37	.39	Vermont.....	.18	.18
Maryland.....	2.17	2.14	Virginia.....	2.44	2.44
Massachusetts...	2.97	2.88	Washington.....	1.85	1.87
Michigan.....	3.62	3.70	West Virginia...	.56	.59
Minnesota.....	1.68	1.76	Wisconsin.....	1.77	1.85
Mississippi.....	.65	.70	Wyoming.....	.22	.22
Missouri.....	2.00	1.99	District of Columbia.....	.37	.35
Montana.....	.27	.29			

a. Excludes trust fund taxes.
b. Includes state unemployment insurance deposits now classified as part of Federal budget receipts.
Source: Tax Foundation, Incorporated.

Table 3

Bases For Allocating the Federal Tax Burden By State

Fiscal Year 1985

Tax	Base
FEDERAL FUND TAXES:	
Individual income	Individual income tax liability (1983) adjusted by 1984 changes in personal income (Internal Revenue Service)
Corporate income	1/2 personal income[a] (1984) 1/2 property income (1984) (Department of Commerce)
Alcoholic beverages	Consumption data[b] (1984) (U.S. Brewers Association)
Tobacco	Total adult population (July 1, 1984)
Estate and gift	Six-year total of estate and gift tax collections (1979-1984) (Internal Revenue Service)
Other excises and customs	Disposable personal income (1984) (Department of Commerce)
TRUST FUND TAXES:	
Old-age, survivors, disability and hospitalization insurance; railroad retirement, and Federal unemployment insurance	1/2 personal income[a] (1984) 1/2 personal contributions for social insurance[c] (1984) (Department of Commerce)
State unemployment insurance taxes deposited with Treasury	Unemployment tax collections (1984) (Department of Labor)
Highway trust fund	
Gasoline, diesel, special fuels, lubricating oil, and heavy vehicle use	Motor fuel excise data (1984) (Bureau of Public Roads)
Trucks and buses, parts and accessories, tires, tubes, and tread rubber	Truck and bus excise data (1984) (Bureau of Public Roads)
Airport and airway trust fund, black lung disability trust fund, and other trust funds	Disposable personal income (1984) (Department of Commerce)

a. Personal income by place of residence.
b. Adjusted by Tax Foundation.
c. Adjusted for place of residence.
Source: Tax Foundation, Incorporated, March 1986.

Table 4

Federal Tax Burdens by State: Total and Per Capita

Fiscal Year 1985

State	Amount (millions)	Per capita	State rank 1985 Amount	State rank 1985 Per capita
Total U.S.....	$709,400.0	$2,981.6	--	--
Alabama.....	8,995.7	2,234.1	25	45
Alaska.....	2,354.7	4,675.7	44	1
Arizona.....	8,270.5	2,590.4	27	35
Arkansas.....	5,011.4	2,148.4	32	47
California.....	86,182.7	3,323.7	1	9
Colorado.....	10,178.0	3,114.8	23	13
Connecticut.....	13,281.7	4,215.1	17	2
Delaware.....	1,994.3	3,238.6	47	10
Florida.....	33,176.5	2,926.8	6	20
Georgia.....	15,394.7	2,612.8	11	34
Hawaii.....	2,973.7	2,818.9	40	25
Idaho.....	2,178.8	2,107.8	45	50
Illinois.....	38,475.4	3,342.9	4	8
Indiana.....	14,915.3	2,698.2	15	32
Iowa.....	8,078.4	2,764.7	28	27
Kansas.....	7,479.5	3,062.7	29	15
Kentucky.....	8,501.7	2,249.5	26	44
Louisiana.....	11,522.1	2,684.7	22	33
Maine.....	2,751.8	2,356.2	42	42
Maryland.....	15,192.9	3,474.8	14	6
Massachusetts...	20,451.3	3,536.9	10	5
Michigan.....	26,213.0	2,871.9	9	22
Minnesota.....	12,486.6	2,977.3	20	18
Mississippi.....	4,947.5	1,885.1	33	51
Missouri.....	14,124.1	2,813.9	16	26
Montana.....	2,045.5	2,451.8	46	37
Nebraska.....	4,433.2	2,750.8	34	29
Nevada.....	3,005.4	3,119.3	39	12
New Hampshire...	3,142.2	3,135.0	38	11
New Jersey.....	29,801.7	3,965.8	8	4
New Mexico.....	3,408.6	2,363.6	37	41
New York.....	59,250.9	3,382.8	2	7
North Carolina..	15,225.2	2,449.6	13	38
North Dakota....	1,889.1	2,759.0	48	28
Ohio.....	30,657.4	2,850.8	7	24
Oklahoma.....	9,101.2	2,732.0	24	31
Oregon.....	7,047.2	2,542.2	31	36
Pennsylvania....	34,297.4	2,889.3	5	21
Rhode Island....	2,896.2	3,016.2	41	17
South Carolina..	7,391.2	2,211.6	30	46
South Dakota....	1,641.0	2,328.6	49	43
Tennessee.....	11,605.2	2,430.7	21	39
Texas.....	50,556.6	3,114.8	3	14
Utah.....	3,669.4	2,144.5	36	48
Vermont.....	1,285.9	2,393.7	51	40
Virginia.....	17,304.6	3,041.8	12	16
Washington.....	13,232.3	2,971.5	18	19
West Virginia...	4,183.4	2,128.0	35	49
Wisconsin.....	13,153.2	2,734.8	19	30
Wyoming.....	1,537.2	2,854.1	50	23
District of Columbia.....	2,506.1	4,169.9	43	3

Source: Office of Management and Budget, and Tax Foundation computations.

Table 5

Major Grant Programs by State

Fiscal Year 1985
(millions)

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
Total.....	$99,622.5	$22,597.0	$11,618.7	$8,459.0	$4,583.7	$5,301.2	$47,063.8
Alabama.....	1,674.4	351.4	267.6	56.2	76.6	104.2	818.4
Alaska.....	609.6	34.8	102.1	24.5	25.5	33.5	389.2
Arizona.....	1,106.4	61.1	246.7	46.3	55.0	64.2	633.1
Arkansas.....	1,005.5	291.6	116.6	26.5	45.9	50.2	474.7
California.....	10,492.4	2,407.6	926.3	1,758.9	507.9	444.0	4,447.7
Colorado.....	1,113.6	160.0	200.4	58.7	54.4	53.5	586.6
Connecticut.....	1,377.4	305.1	181.6	107.1	54.5	92.1	637.0
Delaware.....	318.0	37.0	49.2	14.5	13.3	17.8	186.2
Florida.....	3,117.8	566.2	434.0	164.7	169.0	165.7	1,618.2
Georgia.....	2,366.8	552.9	335.9	144.2	110.7	125.6	1,097.5
Hawaii.....	435.6	67.3	36.8	40.2	21.5	28.8	241.0
Idaho.....	425.0	54.3	89.0	14.6	19.1	12.3	235.7
Illinois.....	4,687.5	965.6	534.7	458.3	210.7	275.8	2,242.4
Indiana.....	1,825.1	456.2	204.7	96.5	85.9	91.3	890.5
Iowa.....	1,163.5	208.8	228.1	84.8	54.1	39.0	548.7
Kansas.....	854.5	142.6	182.9	43.5	38.5	38.9	408.1
Kentucky.....	1,749.8	416.6	224.3	101.9	74.9	96.6	835.5
Louisiana.....	1,779.4	479.2	221.0	107.4	86.1	88.7	797.0
Maine.....	659.3	180.7	71.9	52.3	28.8	29.2	296.4
Maryland.....	2,058.4	330.9	314.2	130.6	87.8	106.8	1,088.1
Massachusetts...	2,842.0	805.5	130.3	225.0	130.3	215.0	1,335.9
Michigan.....	3,958.7	905.0	303.6	638.5	187.5	142.5	1,781.6
Minnesota.....	1,980.2	543.6	253.5	156.5	88.7	111.2	826.7
Mississippi.....	1,167.1	239.9	135.6	47.9	61.0	57.3	625.4
Missouri.....	1,932.4	389.0	292.4	123.1	79.9	102.2	945.8
Montana.....	545.5	70.2	129.8	20.0	20.1	24.2	281.2
Nebraska.....	674.6	100.4	139.5	34.9	30.1	29.3	340.4
Nevada.....	371.4	38.2	112.8	6.5	14.4	27.0	172.5
New Hampshire...	418.2	78.5	58.4	13.6	14.5	24.2	229.0
New Jersey.....	2,945.2	616.1	243.6	273.7	146.5	278.3	1,387.0
New Mexico.....	728.5	114.8	113.8	41.6	33.0	45.4	379.9
New York.....	11,092.3	3,991.0	582.4	1,103.0	465.0	609.3	4,341.6
North Carolina..	2,131.0	464.5	246.7	115.6	121.6	143.0	1,039.6
North Dakota....	434.1	70.0	84.6	12.7	13.0	18.5	235.3
Ohio.....	4,157.9	940.7	397.5	423.7	189.1	251.4	1,955.5
Oklahoma.....	1,229.9	300.2	118.4	64.6	59.3	95.9	591.5
Oregon.....	1,240.1	168.2	154.9	67.9	54.5	38.5	756.1
Pennsylvania....	4,961.4	1,106.7	609.4	451.0	221.0	247.8	2,325.5
Rhode Island....	573.2	148.7	65.7	43.2	20.4	42.5	252.7
South Carolina..	1,320.8	276.6	145.7	68.7	68.7	61.6	699.5
South Dakota....	476.2	64.7	95.7	12.7	14.8	32.2	256.1
Tennessee.....	1,931.4	433.7	265.2	70.8	83.5	111.9	966.3
Texas.....	4,469.8	911.9	587.1	139.8	242.7	251.8	2,336.5
Utah.....	714.7	100.0	192.9	32.9	36.0	15.9	337.0
Vermont.....	336.1	67.7	39.2	27.1	12.4	17.3	172.4
Virginia.....	2,049.7	344.7	314.1	107.7	99.2	103.2	1,080.8
Washington.....	1,798.5	328.8	354.2	178.8	72.8	69.0	794.9
West Virginia...	902.9	131.6	194.0	61.9	44.9	40.6	429.9
Wisconsin.....	2,109.9	606.1	173.7	304.0	104.9	81.4	839.8
Wyoming.....	293.7	14.0	77.7	8.9	15.8	8.2	169.1
District of Columbia.....	1,018.0	155.7	37.9	51.0	17.7	46.3	709.4

Source: U.S. Department of Commerce, Bureau of the Census.

Table 6

Major Grant Programs by State: Per Capita

Fiscal Year 1985

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
Total.....	$ 418.71	$ 94.98	$ 48.83	$35.55	$19.27	$22.28	$ 197.81
Alabama.....	415.85	87.27	66.46	13.96	19.02	25.88	203.25
Alaska.....	1,210.48	69.10	202.74	48.65	50.64	66.52	772.84
Arizona.....	346.53	19.14	77.27	14.50	17.23	20.11	198.29
Arkansas.....	431.06	125.01	49.99	11.36	19.68	21.52	203.51
California.....	404.64	92.85	35.72	67.83	19.59	17.12	171.53
Colorado.....	340.80	48.97	61.33	17.96	16.65	16.37	179.52
Connecticut.....	437.13	96.83	57.63	33.99	17.30	29.23	202.16
Delaware.....	516.40	60.08	79.90	23.55	21.60	28.91	302.37
Florida.....	275.05	49.95	38.29	14.53	14.91	14.62	142.76
Georgia.....	401.70	93.84	57.01	24.47	18.79	21.32	186.27
Hawaii.....	412.93	63.80	34.88	38.11	20.38	27.30	228.46
Idaho.....	411.14	52.53	86.10	14.12	18.48	11.90	228.02
Illinois.....	407.27	83.90	46.46	39.82	18.31	23.96	194.83
Indiana.....	330.17	82.53	37.03	17.46	15.54	16.52	161.09
Iowa.....	398.19	71.46	78.06	29.02	18.51	13.35	187.78
Kansas.....	349.90	58.39	74.89	17.81	15.77	15.93	167.11
Kentucky.....	463.00	110.23	59.35	26.96	19.82	25.56	221.07
Louisiana.....	414.61	111.66	51.49	25.03	20.06	20.67	185.71
Maine.....	564.52	154.72	61.56	44.78	24.66	25.00	253.79
Maryland.....	470.78	75.68	71.86	29.87	20.08	24.43	248.86
Massachusetts...	491.51	139.31	22.53	38.91	22.53	37.18	231.04
Michigan.....	433.72	99.15	33.26	69.95	20.54	15.61	195.19
Minnesota.....	472.15	129.61	60.44	37.32	21.15	26.51	197.11
Mississippi.....	444.69	91.41	51.67	18.25	23.24	21.83	238.29
Missouri.....	384.99	77.50	58.25	24.52	15.92	20.36	188.43
Montana.....	653.84	84.14	155.58	23.97	24.09	29.01	337.05
Nebraska.....	418.59	62.30	86.56	21.66	18.68	18.18	211.22
Nevada.....	385.47	39.65	117.07	6.75	14.95	28.02	179.03
New Hampshire...	417.24	78.32	58.27	13.57	14.47	24.14	228.47
New Jersey.....	391.93	81.99	32.42	36.42	19.50	37.03	184.57
New Mexico.....	505.17	79.61	78.91	28.85	22.88	31.48	263.44
New York.....	633.29	227.86	33.25	62.97	26.55	34.79	247.87
North Carolina..	342.86	74.73	39.69	18.60	19.56	23.01	167.26
North Dakota....	634.00	102.23	123.56	18.55	18.99	27.02	343.65
Ohio.....	386.64	87.48	36.96	39.40	17.58	23.38	181.84
Oklahoma.....	369.20	90.11	35.54	19.39	17.80	28.79	177.56
Oregon.....	447.35	60.68	55.88	24.49	19.66	13.89	272.75
Pennsylvania....	417.96	93.23	51.34	37.99	18.62	20.88	195.90
Rhode Island....	596.96	154.86	68.42	44.99	21.25	44.26	263.17
South Carolina..	395.21	82.76	43.60	20.56	20.56	18.43	209.31
South Dakota....	675.75	91.81	135.80	18.02	21.00	45.69	363.42
Tennessee.....	404.52	90.84	55.55	14.83	17.49	23.44	202.39
Texas.....	275.38	56.18	36.17	8.61	14.95	15.51	143.95
Utah.....	417.68	58.44	112.73	19.23	21.04	9.29	196.95
Vermont.....	625.65	126.02	72.97	50.45	23.08	32.20	320.92
Virginia.....	360.30	60.59	55.21	18.93	17.44	18.14	189.98
Washington.....	403.88	73.84	79.54	40.15	16.35	15.49	178.50
West Virginia...	459.28	66.94	98.68	31.49	22.84	20.65	218.68
Wisconsin.....	438.69	126.02	36.12	63.21	21.81	16.92	174.61
Wyoming.....	545.30	25.99	144.26	16.52	29.34	15.22	313.96
District of Columbia.....	1,693.84	259.07	63.06	84.86	29.45	77.04	1,180.37

Source: U.S. Department of Commerce, Bureau of the Census.

Table 7

Major Grant Programs by State: Per Capita Rank

Fiscal Year 1985

State	Total	Medicaid	Highway Trust Fund	A.F.D.C.	Revenue Sharing	Subsidized housing	All other
TOTAL.....	--	--	--	--	--	--	--
Alabama.....	28	23	20	47	29	18	25
Alaska.....	2	36	1	7	1	2	2
Arizona.....	46	51	15	45	42	30	28
Arkansas.....	23	9	36	49	24	28	24
California.....	33	17	45	3	26	38	46
Colorado.....	48	48	23	39	43	41	41
Connecticut.....	21	14	28	18	41	10	27
Delaware.....	11	42	11	29	13	12	8
Florida.....	51	47	40	44	50	47	51
Georgia.....	36	15	29	27	31	29	37
Hawaii.....	30	38	47	14	20	15	18
Idaho.....	31	46	10	46	35	50	19
Illinois.....	32	25	37	11	36	23	33
Indiana.....	49	27	41	41	47	40	49
Iowa.....	37	35	14	21	34	49	36
Kansas.....	45	44	16	40	46	42	48
Kentucky.....	16	11	25	23	23	19	20
Louisiana.....	29	10	34	24	22	32	38
Maine.....	9	4	22	9	5	20	12
Maryland.....	15	32	18	20	21	21	13
Massachusetts...	13	5	51	13	11	5	16
Michigan.....	22	13	48	2	19	43	32
Minnesota.....	14	6	24	16	15	17	29
Mississippi.....	19	19	33	37	7	27	15
Missouri.....	42	31	27	25	45	34	35
Montana.....	4	24	2	28	6	11	5
Nebraska.....	24	39	9	30	32	36	22
Nevada.....	41	49	6	51	49	14	42
New Hampshire...	27	30	26	48	51	22	17
New Jersey.....	39	28	50	17	28	6	39
New Mexico.....	12	29	13	22	9	9	10
New York.....	6	2	49	5	4	7	14
North Carolina..	47	33	39	35	27	26	47
North Dakota....	5	12	5	36	30	16	4
Ohio.....	40	22	42	12	38	25	40
Oklahoma.....	43	21	46	32	37	13	44
Oregon.....	18	40	30	26	25	48	9
Pennsylvania....	25	16	35	15	33	31	31
Rhode Island....	8	3	19	8	14	4	11
South Carolina..	38	26	38	31	18	35	23
South Dakota....	3	18	4	38	17	3	3
Tennessee.....	34	20	31	43	39	24	26
Texas.....	50	45	43	50	48	44	50
Utah.....	26	43	7	33	16	51	30
Vermont.....	7	7	17	6	8	8	6
Virginia.....	44	41	32	34	40	37	34
Washington.....	35	34	12	10	44	45	43
West Virginia...	17	37	8	19	10	33	21
Wisconsin.....	20	8	44	4	12	39	45
Wyoming.....	10	50	3	42	3	46	7
District of Columbia.....	1	1	21	1	2	1	1

Source: U.S. Department of Commerce, Bureau of the Census; and Tax Foundation computations.